

**TOWN OF ROCKY HILL
FINANCE COMMITTEE
MEETING OF MARCH 11, 2015**

Present: Chairwoman Cathy Vargas and Councilor Guy Drapeau. Also present: John Mehr (Finance Director), Guy Scaife (Town Manager), Mona McKim (Treasurer and Accounting Manager), Councilor Nadine Bell, Lisa Zerio (Director of Parks and Recreation & Custodial Staff), Russ Ford (Director of IT and Facilities) (Left at 4:45 p.m.) (Reentered at 4:55 p.m.) and Glenn Pinckney and Ann Palmer (Kyocera).

Absent: Councilor Bill MacDonald.

Chairwoman Cathy Vargas called the March 11, 2015 meeting of the Finance Committee to order at 4:30 p.m. in the Council Chambers, Town Hall, 761 Old Main Street, Rocky Hill, CT.

I. ACTION – APPROVAL OF MINUTES – FEBRUARY 11, 2015 MEETING

Councilor Drapeau made a motion to approve the Minutes of the February 11, 2015 meeting of the Finance Committee. The motion was seconded by Chairwoman Vargas and adopted unanimously by those present.

**II. ACTION – PHOTOCOPIERS/PRINTERS EQUIPMENT – TOWN WIDE
CONSOLIDATING LEASE PROGRAM – IT DEPARTMENT**

Finance Director Mehr said this is a follow-up from last year's budget hearings. Questions had been asked at those as to why this Town doesn't have more of uniform and consolidated photocopier lease arrangements, etc. Russ Ford brought Glenn Pinckney and Ann Palmer from Kyocera to this evening's meeting so that they could talk about the proposal. The Town currently has twelve large multifunction copiers that are centrally located. He believes these are on four different leases with different pricing structures. There are also lease terms with these copiers, of which some will expire next year and some will expire the year after so he would like to consolidate everything under one lease. This will give them an opportunity to get one price per page. He would like to start with new machines with a different vendor. This will be a five year lease program and it will cost a few more dollars than what is being paid now but the cost per copy will be lower so money will definitely be saved as usage goes along.

Russ Ford said the Town also has desktop printers and an effort has been made to get rid of as many as he can since he has been here because of the centrally located copiers. The challenge with the desktop printers is there is no service for those and toner, which can be very expensive, is being paid for. He would like to put all of the printers under a Managed Services Agreement that would include toner, etc. There will be a single per page price, which will be cheaper than

what they are paying now. Chairwoman Vargas asked what the number of desktop printers will be decreased by. Russ Ford said he has gotten rid of twelve of the fifty-five they had and he has ten more on the table that are ready to go. The number will continue to be driven down from there. Councilor Drapeau argued that some are necessary in the Human Resources Office, Town Manager's Office and Finance Department Office but all the rest will be negotiable. Russ Ford agreed.

Councilor Drapeau referred to the new unit for the Senior Center and he asked if that will bring them up to thirteen. Russ Ford said yes. He is going to get rid of two desktops and put a copier in there. Councilor Drapeau confirmed with Russ Ford that the Senior Center will be given a higher end solution. Russ Ford said this will be a less expensive solution.

Councilor Drapeau told Glenn Pinckney and Ann Palmer that they knew what the Town's old rate was and he asked them if they couldn't match that but they are going to be charging an extra \$100 per month instead. Glenn Pinckney said Kyocera resides on Brook Street in Rocky Hill now so this opportunity is very important to them. They feel the number they gave is fair and they have to look at the consumables, etc. that they are going to have to supply for the machines.

Councilor Drapeau referred to the Managed Services Contract and confirmed that they are looking at \$672 per month to have all of their machines serviced 100%. This will include printer cartridges, etc. Russ Ford said it will include everything except the paper. Councilor Drapeau asked if these won't be under warranty the first year. Glenn Pinckney said this is the Town's existing printer program. Ann Palmer said this is all inclusive and includes toner, parts and labor. Chairwoman Vargas asked if this includes staples and it doesn't. Councilor Drapeau asked if it is possible for them to get some step pricing because there is obviously a warranty period on these the first year that is probably covered by the manufacturer, which is Kyocera's home office. Glenn Pinckney said there is a ninety day warranty on the products for parts and labor.

Councilor Drapeau recommended to Russ Ford to put management overrides on the color option for all of the machines so that the color management is kept down. He also recommended to Russ Ford that he take another look as to what areas only black and white will be needed.

Chairwoman Vargas said she had brought this up a couple of budget sessions ago. She had wondered why the Town has multiple leases so she is very happy that they will be consolidating. Councilor Drapeau confirmed that all of this will be put in the IT budget and Russ Ford said yes.

Town Manager Scaife said Russ Ford has put a tremendous amount of time in on this issue from day one and the beginning had to be started at because the lack of consolidation also meant the lack of records. Town Manager Scaife thinks this is an excellent program being brought forward by Russ Ford and he thinks that he is being very conservative on the savings, which they will continue working on.

Chairwoman Vargas asked if these machines will also scan and fax. Russ Ford said yes so they will be able to get rid of the standalone fax machines. Chairwoman Vargas said the standalone fax machines have their own phone lines and she said phone lines will now be needed for the

copiers. Russ Ford said yes but they will be taking some phone lines out because they have more fax machines compared to what they will have for copiers so there will be a savings there as well.

Councilor Drapeau made a motion to approve the Resolution dated March 16, 2015 – Photocopiers – Town Wide Management Program and forward this to the Town Council. The motion was seconded by Chairwoman Vargas and adopted unanimously by those present.

WHEREAS Kyocera of New England, 716 Brook Street, Rocky Hill, CT will be issuing a check for \$41,592.55 to pay off and return the current photocopier leases that the Town has with vendors for photocopiers currently located in various Town departments.

NOW THEREFORE BE IT RESOLVED that the Town Manager or Finance Director is authorized to enter into a 60 month master agreement with Kyocera of New England, 716 Brook Street, Rocky Hill, CT for the Town to lease twelve (12) photocopiers that will be located in various Town departments at a monthly lease cost of \$1,991.46. The Town would pay a \$0.006 per black & white copy and \$0.05 cost per color copy cost as part of the Copier Management Program that includes all parts, labor, service, and supplies (except for paper and staples).

III. ACTION – OPERATING LEASE RENEWAL FOR MODULAR CLASSROOMS AT STEVENS SCHOOL – FINANCE

Finance Director Mehr thinks Moser School was closed four or five years ago by the Board of Education. Three modular classrooms were leased for Stevens School to handle the Moser School children. That lease is running out. The Board of Education and the Superintendent have requested that the lease be renewed and extended for another three years. This will coincide with the modular classrooms that were put in place this past summer so that all of the leases will run out at the same time. Chairwoman Vargas asked when this will start. Finance Director Mehr said this will start around September 2015.

Councilor Drapeau made a motion to approve the Resolution dated March 16, 2015 – Operating Lease Renewal Addendum – Stevens School Modular Classrooms and forward this to the Town Council. The motion was seconded by Chairwoman Vargas and adopted unanimously by those present.

BE IT RESOLVED that the Town of Rocky Hill Town Council authorizes the Town Manager or Finance Director to accept a 36 month term lease renewal option for the three (3) modular classrooms at Stevens School with Modular Space Corporation (ModSpace), 179 Cross Street, Bristol, Connecticut with a monthly lease payment of \$1,890.00. This is a 36 month leasing arrangement with a cost to the Town for the removal of the modular classrooms at the end of the lease period. These modular classrooms lease payments will be funded by charging the Capital Improvement Budget – budget line 01-950-000-5797 for Portable Classrooms – Stevens School in the coming years' budgets.

Report and Recommendation

The Town installed three modular classrooms back in the summer of 2011 at Stevens School as part of the closing of Moser School. The Town's monthly lease payments have been \$1,800. The Superintendent of Schools and the Board of Education Chairman agree with the three year addendum.

Before this motion was voted on, Councilor Drapeau confirmed that this doesn't include the two modular classrooms at West Hill School. Finance Director Mehr said no.

At this point, the motion was voted on.

IV. UPDATE – DELINQUENT PROPERTY TAXES COLLECTION – TAX COLLECTOR

Town Manager Scaife referred to the update in the Councilors' packets that was from the Tax Collector. (Please see the First Attachment.) Councilor Drapeau asked how often delinquent motor vehicles are reported to the Department of Motor Vehicles. Town Manager Scaife understands that this is done monthly but he will double check. Councilor Drapeau asked what the frequency is for personal property. Town Manager Scaife said with regards to demand notices that that would be the same as for real estate.

V. UPDATE - LEGAL BILLS SUMMARY – FINANCE

Finance Director Mehr told the Councilors that he had provided them a summary of the Town Attorney's bills through January 2015. He referred to the cost associated with Secure Care (60 West Street) and that takes up almost 50% of the legal services so far. There is approximately \$60,000 associated with the tax appeal cases. Chairwoman Vargas asked how this compares to the budget and Finance Director Mehr said they are well over in tax appeals but he believes everything else is under budget. The general will come in lower as long as they have low bills that are associated with Secure Care because that is the biggest expense they could be getting on a monthly basis. Town Manager Scaife said they are estimating the tax appeals to be as much as \$112,000 so they have anticipated that they may overrun that but this will definitely drop down significantly next year.

VI. UPDATE – STATE AID TO MUNICIPALITIES FOR 2014-15 BUDGET – FINANCE

Finance Director Mehr said the Town isn't scheduled to get any payments from the State in the February/March period. Chairwoman Vargas confirmed that everything is status quo from the last time. Finance Director Mehr said yes and he had included in the Councilors' packets, a copy of the page from the Governor's State formulas for grants to the Towns. Rocky Hill will be receiving a bit more than it did in the prior year if things go according to this schedule. Chairwoman Vargas assumed that these numbers would be used in the budget and she was told yes.

VII. MONTHLY FINANCIAL REPORT – FEBRUARY 2015 – FINANCE

Chairwoman Vargas asked Finance Director Mehr if anything was glaring. Finance Director Mehr said they started exceeding their overtime in the Highway Department because of the winter and they will probably have higher heating expenses for February and March due to the pricing in the market, as well as due to usage. They are probably in pretty good shape other than that and the legal bills they had just spoken about. Chairwoman Vargas asked if they have enough money to repair all of the potholes in Town. Finance Director Mehr said they should have money in Town Road Aid to help cover that. Chairwoman Vargas mentioned the referendum and she knows there are streets that are scheduled to be done but she said maybe they could get an update for the Town Council's meeting this coming Monday because it is really easy to hit the potholes and she wants to make sure they have enough money to repair those. Councilor Drapeau said for the potholes to be fixed.

VIII. UPDATE – 2015-2016 BUDGET PROCESS – TOWN MANAGER

Town Manager Scaife said he would be giving a preliminary review on where they stand financially as they prepare for next year's budget. This process has been an excellent one and he expressed his appreciation to the Department Heads on how well they worked to help put these numbers together. There has been a concerted effort to make sure they are being respectful of the taxpayers' money this year and going forward. They are making sure they have the tools to do the job they need to do and plan for the future. He recognized Mona McKim who created the PowerPoint presentation and thanked her very much for her many hours of support.

Town Manager Scaife did his PowerPoint presentation at this point. (Please see the Second Attachment.) During the presentation, Chairwoman Vargas asked if the allocation of \$65,000 to fund the cost of the upstairs carpet in the Cora J. Belden Library is from contingency that is currently in the budget and not in nonrecurring. Town Manager Scaife said yes. This is in the operating budget, as well as in the previous one. Councilor Drapeau asked what is left in that account. Town Manager Scaife said there will be a little over \$100,000 left. Councilor Drapeau asked if the contingency account is replenished annually. Town Manager Scaife said yes but the amount that they have been putting in it is going to be lowered. Councilor Drapeau is wondering if contingency should be used instead of Town Road Aid to replace the 1985 dump body, 4-wheel drive truck for the Parks Department. Town Manager Scaife said it could be either one. Chairwoman Vargas said it had just been mentioned that the overtime account is over in the Highway Department because of all of the snow and the roads took quite a beating. She wants to make sure those things are taken care of first and foremost before they worry about another truck or carpet because those affect everybody in Town. Town Manager Scaife said he would get additional data for them for Monday's Town Council meeting but he had met with Glenn Parent (Director of Public Works) on this and their work plate is full as far as what they can handle unless they start hiring contractors. They normally don't do that for small repair jobs. Adequate funding is left over, along with their other State aid to have this done and the overtime will be accounted for. There are underruns in other departments. There is a larger overtime issue within the RHPD. Three people have been in training. Four people are on short term disability or light duty and two of the dispatchers have been out for months with every bit of that being filled with overtime. There is a labor contract mandating that they don't use part time but that they only use

overtime to staff the dispatch seats. He is in a dialogue with a bargaining unit official to see if they get some relief on that. He also said it is challenging for a lot of the public to distinguish between State maintained roads versus what the Town is maintaining and the Town is in dialogue with the State.

Councilor Drapeau referred to the re-allocation of the \$26,900 Fire Department nonrecurring funds that were set aside for training and standby and how these will be used for the upgrade of radios. He asked if this will be taken to zero and if this will cover all of the radios. Town Manager Scaife said this will be taken to zero. It won't cover all of the radios but they will be getting close. Chairwoman Vargas said she didn't see this amount in the nonrecurring that she had asked Finance Director Mehr to provide and she asked if this was taken off. Finance Director Mehr said it was towards the bottom of the sheet that Chairwoman Vargas was referring to.

Councilor Drapeau referred to the \$580,000 for the salary change by contract. He asked if this includes the debt they are accumulating for RHHS and Town Manager Scaife said yes. Councilor Drapeau said this wouldn't be Town only then and Town Manager Scaife said right.

Councilor Drapeau asked what the BOE Utilities had been for the 2014-15 adopted budget. There could be a differential in utilities year over year that they would like to see. What the new budget will look like on the Town side will be affected if there is a considerable variance in utilities' costs from year over year. Town Manager Scaife said they would run those numbers. Finance Director Mehr said there will be an increase in utilities because CL & P passed an increase mainly for the distribution charges. This also reflects the MDC water bills, which are usually scheduled to go up due to the special sewer service charge associated with the bonds offered to do the Hartford version of the Big Dig. Chairwoman Vargas asked if this could be presented in that way so that they can talk about this at Monday's Town Council meeting.

Councilor Drapeau referred to the Town Road Aid money being \$341,638 and he asked if they had paid well north of \$1,000,000 last year. Finance Director Mehr said no and he said this is money they get from the State every year. They need to spend this within the fiscal year they receive it.

Councilor Drapeau asked if the amount of \$55,000 for the impound yard/parking expansion will include cameras and Town Manager Scaife said yes.

Chairwoman Vargas referred to the amount of \$250,000 for the pool repair (at Elm Ridge Park) in the 2015-2016 Capital Improvements and she said they might have problems with this. It has been brought up before that this pool should be filled in and they shouldn't bother with a pool because of the cost of having it. She thinks they should view Elm Ridge Park more as one that has fields and they should get away from the pool part. She thinks the Town Council needs to discuss this item. Councilor Drapeau asked if any research has been done in terms of cost savings for them to start from scratch in a different Town location. Lisa Zerio referred to the \$800,000 estimate (for the splash pad and the redoing of the pool) that she has been using and this is considered new construction really but she said the question would be where the location would be for a pool. Elm Ridge Park is popular and that is like a recreational complex.

Councilor Drapeau asked if the \$800,000 will include the deconstruction of the old facility and the putting up of a new one. Lisa Zerio said yes. Councilor Drapeau is wondering if there would be any cost savings with a smaller and more efficient pool if they were to start in a more attractive location that could save them \$100,000, etc. Lisa Zerio said a filter room would have to be built, as well as bathrooms and locker rooms, etc., so it would probably be a lot more than \$800,000. With the new system, they would be putting a “pool within a pool” so water would be saved. She referred to the splash pad and said there would be no standing water so they would be saving money on chemicals. Councilor Drapeau asked Lisa Zerio if she had a report that she could show them with regards to usage. Lisa Zerio said she had something that she had given to Town Manager Scaife today. Lisa Zerio went over the pool attendance from last year. She referred to the RHHS renovation for the next three years and she is moving all of the swimming lessons and the swim team outside. She told the Councilors that she has the statistics and she could send these to them. Councilor Drapeau asked how much more life they will get out of the pool for the \$250,000 or he asked if this will just be the first payment towards the \$800,000. Town Manager Scaife said this is really just reserving this and they will need to fund the whole thing when the work will be done in a short period of time. Chairwoman Vargas asked if they have looked at raising the prices for badges. Lisa Zerio said they had been raised substantially last year. Chairwoman Vargas asked Lisa Zerio if she could have that information for Monday evening’s Town Council meeting. Lisa Zerio said she would have this information for Town Manager Scaife tomorrow and he could send it out to the Councilors.

Councilor Drapeau referred to the \$85,000 for the Bulkley Park– Drainage/Erosion and he asked Town Manager Scaife if he could bring a map and a couple of pictures for this to Monday evening’s Town Council meeting.

Town Manager Scaife is hoping that the Town Council will look at this Fiscal Year 2015-16 Budget as a whole and not feel the need to get inside each department. They (Town Staff) have been diligent in significantly cutting the budget back while funding some special things at the same time to help hold down next year’s tax rate. An extreme amount of time has been spent on trying to consolidate and he thinks the .3% increase speaks for their efforts to bring a very responsible budget to the Town Council.

Town Manager Scaife asked the Councilors what would be appropriate for Monday evening’s Town Council meeting. He also said that he wants to move forward the items he has laid out and they will stay within the budget. They are going to get as much as they can done in the road maintenance, etc. and he feels strongly that it is better for them to take advantage of the money that has been appropriated in order for them to hold next year’s costs down. Chairwoman Vargas asked Town Manager Scaife if he was just going to do this presentation on Monday evening and he said he certainly could. Chairwoman Vargas thinks she needs a little more than just the saying of a .3% increase. She told Town Manager Scaife that she thinks he has done a great job and she believes him but she likes to see numbers. Chairwoman Vargas told Town Manager Scaife that she isn’t sure what type of documentation he is going to give to the Town Council with regards to the different departments. Town Manager Scaife said they are ready to send out the detailed budget by department to everyone this week. He told the Councilors depending on their guidance that he can do this presentation on April 6, 2015 with more detail if necessary but he didn’t want to present the presentation that he just given to them for the first

time on that date so that they wouldn't have a chance to digest it or ask questions. Chairwoman Vargas doesn't think it had been fair to the Department Heads when they had to sit in front of the Town Council (at the past budget workshops). She thinks they need something but not to that level. Councilor Bell said she viewed this presentation as being interim to getting more detail and she thinks this is valuable to engage them in the process. Chairwoman Vargas asked the Staff what they are planning on giving to the Town Council and what they are proposing as a process because the process in the past wasn't a good one. In the past, the Council Chambers had been filled with people and if the Department Heads didn't like what the Town Council was saying then she showed how big the Town Council felt. She didn't like that and it wasn't fair to anyone. The Town Council was trying to do its due diligence in presenting a number to the taxpayers because they had elected the Town Council to do right by them. Town Manager Scaife said the going back and forth and the filling up of the Council Chambers will not be happening. He would like the Town Council to review the detailed budget information that will be sent out to them to see if they have questions about specific areas. He isn't sure how productive it would be for them to spend hours trying to explain about all of the movement that there has been. The low number speaks for itself.

Chairwoman Vargas asked how the referendum will play out with the budget if there is one this November and it passes. Town Manager Scaife said he will probably have to get Finance Director Mehr to think through that and to make some notes as to how that would work out. Finance Director Mehr said the Town would most likely go out to borrow short term debt BANS if the referendum passes this November and the payments would extend into the next budget year. Chairwoman Vargas asked if they could put a dollar amount to this referendum. Town Manager Scaife said they will have this amount on or before the budget presentation on April 6, 2015.

Councilor Drapeau sees this document with regards to the PowerPoint presentation just given as being a useful tool. This will give the Town Council a "heads-up" as to what Town Manager Scaife's presentation will look like. Councilor Drapeau doesn't see any harm in presenting this as it is at Monday evening's Town Council meeting but he thinks that Town Manager Scaife needs to let everyone know that this is a high level unfinished presentation of what will be coming on April 6, 2015. The Town Council had gotten "whacked" with all kinds of things that were happening when they had received the budget last year so that had forced them to go down a "road of microanalysis". Different sections of Town departments had been looked at last year. The Town Council proposed cuts based on things that they hadn't agreed with the Town Manager on and they voted on those. He thinks the Town Council will want the opportunity to do that again. He suggested that the budget meetings be broken up into two or three different categories on two or three different nights maybe. He told Town Manager Scaife that he thinks that he is doing great work and that they are on the right track this year because last year was way too micromanaged. Councilor Drapeau said there might be somewhere in the middle. Town Manager Scaife told the Councilors to keep in mind that he has outlined the new programs and the new endeavors they have going. There are some things the Town is doing that it hadn't been doing. He isn't sure how much more detail they can go into. Councilor Drapeau told Town Manager Scaife that the primary issues now aren't what he is doing from an operations' perspective but he thinks the big dollars are in the Capital Improvements Projects and in the referendum. Councilor Drapeau thinks they really need to focus on those. Chairwoman Vargas

doesn't think the Department Heads have to be brought in to discuss the minutiae because Town Manager Scaife is doing what he is supposed to be doing. Chairwoman Vargas said this will be more of whether the Town Council believes in the philosophy of the Capital Improvement Plan. Town Manager Scaife said the Town Council will need to understand the referendum in order to embrace it, as well as to agree on it. Chairwoman Vargas thinks the two things for the Town Council to discuss will be the referendum and the Capital Improvements Plan. The Town Council will really have to know about the referendum and they will have to sell it if it is going to pass. Chairwoman Vargas told Town Manager Scaife that she thinks he can do this same PowerPoint presentation at Monday evening's Town Council meeting and then he can say that he will be presenting more about the Capital Improvements and the referendum this April.

Town Manager Scaife referred to the spending of the \$26,900 in the nonrecurring fund and also moving forward on the purchase of the truck. He is hoping the Town Council will support those things. Chairwoman Vargas said they can talk about that at the Town Council meeting Monday evening. The \$26,900 for the RHFD had been a huge item at the budget last year and that had been a concession on the Town Council's part to give money back to the RHFD. She said this will be fine if the RHFD is okay with it. Town Manager Scaife said the RHFD is okay with this and they have reduced next year's budget accordingly.

IX. OTHER

Nothing else was discussed.

X. ADJOURNMENT

Councilor Drapeau made a motion to adjourn the meeting at 6:05 p.m. The motion was seconded by Chairwoman Vargas and adopted unanimously by those present.

Respectfully submitted,

Jo-Anne Booth
Recording Secretary